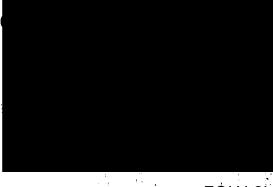
AUGUST 26, 1964



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Dark Outlook in Viet Nam

The Jourson administration pathizers, and possibly timed to NGUYEN KHANH'S assumption of tion. dictatorial power in South Viet Nam.

"I am always happy when something is done to strengthen the government's position against the Viet Cong," said MAXWELL TAYLOR, our ambassador to Saigon.

His predecessor, HENRY CABOT Lodge (commenting in Paris), said that "such changes make the government more effective .. they are to be welcomed."

DEPUTY DEFENSE SECRETARY CYRUS R. VANCE, also gave his blessing. He said that Khanh's seizure of power "should make for greater unity of effort in implementing the pacification program."

Yesterday these spokesmen for the administration had reason to wish they had kept silent.

As LBJ's faithful followers in Atlantic City applauded Keynoter Pastore's virulent attack on Barry Goldwater's "irresponsible" foreign policy, violent anti-government demonstrations in South Viet Nam's four principal cities forced Khanh to resign as president, and revoke the charter of August 16 under which he assumed despotic powers.

This was a defeat not only for KHANH, but for United States policy.

The fact that the rioting, involving some 40,000 Vietnamese, simultaneously occurred Saigon, Hue, Da Nang and Quinhon, indicates that riots were not spontaneous, but planned by Viet Cong sym-

took a long chance when it gave coincide with the opening of our enthusiastic approval to Gen. Democratic National Conven-

> The worst fighting occurred in Da Nang, which has become a U. S. air center since our reprisals bombings of North Viet Nam coastal bases, following P-T boat attacks on U.S. destroyers in the Gulf of Tonkin. Barracks were stoned, but no American casualties have been reported.

> As in our vacillating Congo policy, miscalculation has worsened our involvement in what is essentially a civil war of a divided people devoid of national consciousness. Now rumors: are rife that GEN. DUONG VAN MINH ("Big Minh"), whom we hailed after the overthrow of DIEM as the strong man and savior of Vietnamese freedom, may re-enter the picture.

> To add to the confusion, the administration may be considering a "negotiated settlement" in Viet Nam, as hypothetically proposed in a "study" written by WILLARD MATTHIAS, a member of the Central Intelligence Agency's Board of National Estimates. He takes a pessimistic view of our chances of winning the anti-Communist war in Viet Nam.

This classified document was made available two days ago, but only after the administration had become aware that the Chicago Tribune had obtained a copy. A State Department spokesman promptly denied that MATTHIAS' paper represented a statement of the policy original. the ly recommended by PRESIDENT deGaulle of France.

Where do we go from here?